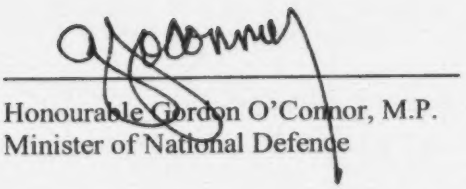
Military Police Complaints Commission

2005 - 2006

Departmental Performance Report



Honourable Gordon O'Connor, M.P.
Minister of National Defence

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SECTION I – DEPARTMENTAL OVERVIEW

Chair's Message

I am pleased to present the Military Police Complaints Commission's *2005-06 Departmental Performance Report.*

Canadians, both within and outside of the Canadian Forces, need to have confidence in and respect for the military justice system. The military police play an integral role in that justice system. The professionalism displayed by the military police in discharging their role is critical to the overall success of the Canadian Forces.

The Military Police Complaints Commission (Commission), established in December 1999, provides independent, civilian oversight of the Canadian Forces Military Police. The Commission's mandate is to monitor the investigation and disposition of complaints about the military police by the Canadian Forces Provost Marshal, to review such dispositions when asked by the complainant, to independently investigate such complaints, as appropriate in the public interest, including by means of public hearings, and to investigate allegations of interference in military police investigations.

The recommendations that result from the Commission's reviews, investigations and hearings build on the professionalism already demonstrated by Canada's military police and serve to guarantee their integrity and independence. In turn, it is up to the Canadian Forces to implement the changes recommended by our reports. By carrying out our distinct roles and working together effectively, the Canadian Forces and the Commission both contribute to the independence, quality and professionalism of military policing activities for all Canadians.

In the past year, much has been accomplished. With the completion of the Commission's reorganization and restructuring, it has become more efficient and economical operationally, resulting in the reduction of reference levels on a permanent basis by over 20 per cent. During this fiscal year, the Commission reviewed and adjusted the complaints process and, as a result, it is now working more effectively. In terms of case load, the Commission addressed more cases this year than in the past several years, and this was accomplished with fewer resources. Twenty-eight interim and final reports were issued during 2005-06 as compared with nine the previous year. Overall, service levels and volumes increased, while at the same time costs were lowered and the workforce was significantly reduced by 47 per cent.

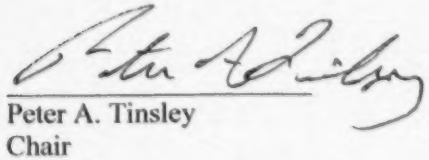
The Commission continues to focus on improving working relationships with a range of key Canadian Forces stakeholders such as the Chief of Defence Staff, the Vice Chief, and the Office of the Provost Marshal. We have communicated more regularly throughout the year and have met on several occasions to discuss matters of mutual interest. Indeed, effective communication is essential for us to work effectively, to process cases expeditiously, and to contribute significantly to increasing the confidence of the Canadian Forces and all Canadians regarding the quality of Canada's military policing.

The Commission is continuing to implement the recommendations from its 2005 stakeholder survey, including the need for the Commission to be more visible and to increase the awareness of its role and mandate among the military police and the Canadian Forces. As part of the Commission's Outreach Program, 12 military bases were visited across the country and multiple presentations were made at each base. In turn, the feedback received by the Commission was extremely positive. Also, two frequently requested information brochures were updated during the year and our website was improved.

Following the Commission's reorganization and downsizing, a number of other key elements needed to be addressed, including stabilizing the work environment, improving morale and increasing organizational effectiveness. The quality and frequency of staff communications were improved, both individually and collectively, and issues of concern were addressed promptly and appropriately — to the satisfaction of the employees, union representatives and the organization. Policies were also developed and implemented to recognize and reward employees for their work effort, and professional development was encouraged. Indeed, every effort was made to improve the work environment for both individual employees and the organization as a whole.

Decidedly, the described efforts have been successful. According to the recently released 2005 Public Service Employee Survey, the Commission's employees are more positive about the work they are doing, are strongly committed to making the organization successful, and also feel that it is a good place to work and that they are treated with respect. Notably, they rated these areas significantly higher than in the previous survey carried out in 2002.

There is additional work to be done, however, to ensure that the Commission continues to provide effective military police oversight. To that end, the Commission will continue working with stakeholders to improve the quality of military police oversight.



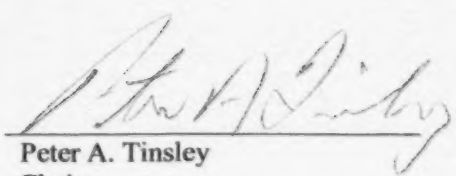
Peter A. Tinsley
Chair

Management Representation Statement

I submit for tabling in Parliament the *2005-06 Departmental Performance Report* (DPR) for the Military Police Complaints Commission.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005-2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the TBS guidance;
- It is based on the department's approved Program Activity Architecture structure as reflected in its MRRS;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada in the DPR.



Peter A. Tinsley
Chair

Program Activity Architecture Crosswalk

	2005–2006	2006–2007
Operations	2.4	N/A
Legal Services	1.7	N/A
Complaints Resolution	N/A	3.4

The activity structure for the Commission was formally approved in fiscal year 2006-07. However, the organizational changes were introduced in fiscal year 2005-06. In order to reflect the operational reality of the Commission in this DPR, "complaints resolution" is used throughout the report.

Summary Information

Commission's Mandate – The Commission was created to be an independent public agency, accountable, through the Minister of National Defence, to Parliament and to the Canadian people, with a mandate to monitor, review and investigate complaints concerning military policing and to make recommendations directly to the military police and the Canadian Forces as well as National Defence leadership.

By carrying out this mandate and promoting the principles of integrity, fairness and transparency, the Commission contributes to the professionalism of military policing, helping to ensure the military police continue to enjoy the confidence of the Canadian Forces, and that of the Department of National Defence and of all Canadians.

The findings and recommendations of the Commission's Chair are based on the results of independent and impartial reviews and investigations. The Chair's recommendations not only address the specifics of the complaint but are also intended to correct any systemic problem that may have contributed to the situation. Although not binding, if the authority responsible for dealing with these recommendations does not act on them, the reasons for not acting must be provided to the Chair and the Minister of National Defence.

Overall Strategic Outcome

To promote and ensure the highest standards of conduct of the military police, thereby increasing the confidence of the Canadian Forces and Canadians in the military policing activity.

Financial Resources ($000)

Planned Spending	Total Authorities	Actual Spending
4,176	4,028	2,703

Human Resources (FTEs)

Planned	Actual	Difference
17	15	2

Departmental Priorities – Status on Performance

(The planned spending information, in the sections below, was based on the cost should the work be externally resourced; when the work is completed internally as part of ongoing daily operations, the costs are not identified separately but included in the overall cost of operations.)

Status on Performance			2005-06	
Strategic Objective 1: Ensure cases are reviewed fairly and expeditiously.				
Alignment to Government of Canada Outcomes: Safe and Secure Communities				
Priority	Program Activity and Expected Results	Performance Status	Planned Spending	Actual Spending
1. Review the effectiveness and efficiency of the case management process, including the environment in which it operates. (Previous and ongoing)	Complaints Resolution – Increased capacity	Successfully met	100,000	Internally resourced
2. Improve the efficiency of the case management process. (Previous and ongoing)	Complaints Resolution – Lower cost	Successfully met	75,000	Internally resourced
3. Develop performance measurements for the case management process. (Previous and ongoing)	Complaints Resolution – Strategic and operational adjustments to enhance the case management process	Successfully met	65,000	Internally resourced

Strategic Objective 2: Create and maintain effective communications — externally with stakeholders and internally with employees.				
Priority	**Program Activity and Expected Results**	**Performance Status**	**Planned Spending**	**Actual Spending**
1. Evaluate the overall effectiveness of the external communications program. (Previous and ongoing)	General Services – Greater awareness	Successfully met	100,000	45,000, plus internally resourced
2. Continue to enhance and expand the delivery of information to stakeholders. (Previous and ongoing)	Complaints Resolution and General Services – Greater awareness	Successfully met	75,000	65,000, plus internally resourced
3. Cultivate collaborative and harmonious working relationships within the organization. (Previous and ongoing)	Complaints Resolution and General Services – Stabilized workplace, harmonious working relationships, increased productivity	Successfully met	65,000	30,000, plus internally resourced
Strategic Objective 3: Management practices are enhanced.				
Priority	**Program Activity and Expected Results**	**Performance Status**	**Planned Spending**	**Actual Spending**
1. Implement a risk management strategy. (New and ongoing)	Complaints Resolution and General Services – Improved strategic and operational planning	Successfully met	30,000	30,000
2. Improve resource stewardship. (New and ongoing)	General Services – Greater efficiencies and economies in operations	Successfully met	40,000	Internally resourced

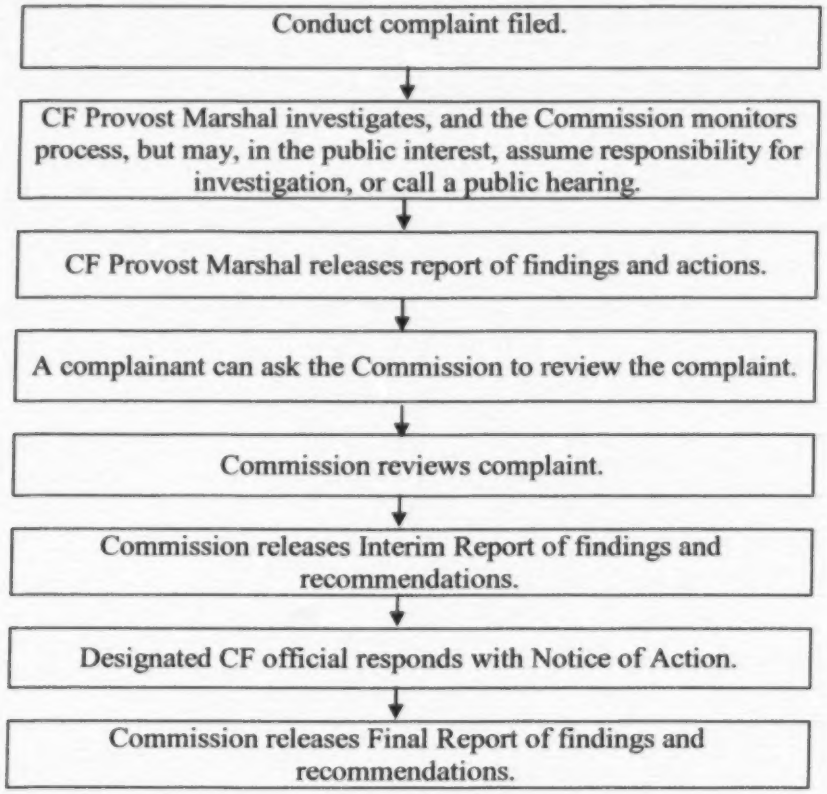
Performance Context

The Commission was established in December 1999 to provided independent, civilian oversight of the Canadian Forces Military Police. It reports to Parliament through the Minister of National Defence. By its efforts, the Commission contributes to the professionalism of the military police, helping to ensure the military police continue to enjoy the confidence of the Canadian Forces, and that of the Department of National Defence and of all Canadians.

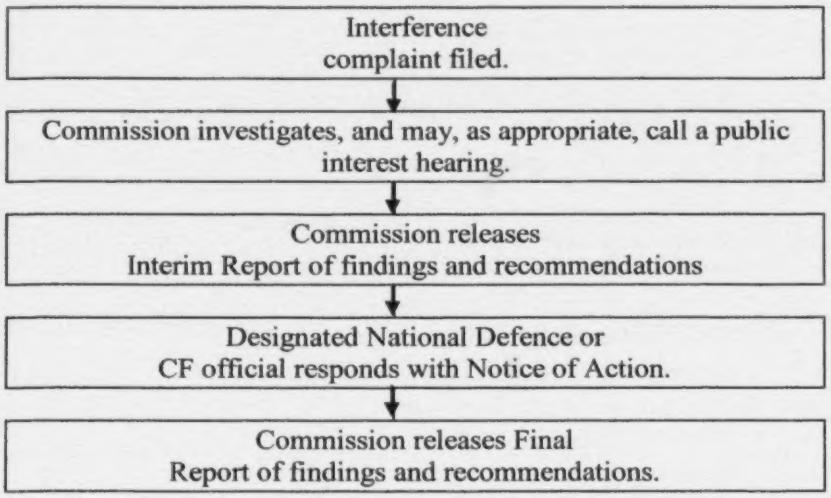
Expeditious and Fair Monitoring, Review and Investigation of Complaints

The Commission is mandated to monitor the investigation and disposition of complaints about military police conduct by the Canadian Forces Provost Marshal, to independently investigate such complaints, as appropriate, and to investigate allegations of interference in military police investigations. An overview of each complaints process is set out below.

Complaints About Police Conduct


Conduct complaint filed.
CF Provost Marshal investigates, and the Commission monitors process, but may, in the public interest, assume responsibility for investigation, or call a public hearing.
CF Provost Marshal releases report of findings and actions.
A complainant can ask the Commission to review the complaint.
Commission reviews complaint.
Commission releases Interim Report of findings and recommendations.
Designated CF official responds with Notice of Action.
Commission releases Final Report of findings and recommendations.

Interference Complaints


Interference complaint filed.
Commission investigates, and may, as appropriate, call a public interest hearing.
Commission releases Interim Report of findings and recommendations
Designated National Defence or CF official responds with Notice of Action.
Commission releases Final Report of findings and recommendations.

The Commission's involvement in investigating complaints about police conduct or interference complaints results in the Chair preparing reports (interim and final) of findings and recommendations. The interim report requires a response from a senior designated National Defence or Canadian Forces official regarding the action taken or planned for each of the recommendations. Such recommendations, and the responses to them, strengthen the professionalism of Canada's military policing and help to guarantee the integrity and independence of the military police.

One challenge that the Commission faces on an ongoing basis, and a peculiarity of its operating environment, is the lack of control over the volume and complexity of the cases received. It is also impossible to definitely predict how many complaints will be deemed to be in the public interest — complaints that may result in more costly public interest investigations or hearings by the Commission. Some complaints are straightforward, with interviews involving two or three people, often in the same location, and can be concluded in a couple of weeks. Other complaints may involve interviewing more than a dozen individuals spread all across the country, include hundreds and hundreds of pages of documentary evidence and, accordingly, will only be concluded after several months. Consequently, the Commission must manage its activities to accommodate the ebb and flow of complaints in a cost-effective manner.

Performance Highlights

Following its reorganization and downsizing, the Commission implemented a new service delivery model during the past year, including new performance and timeliness standards. The results were impressive — more cases were completed in less time and at a lower cost than in any other year in the Commission's brief history.

One way the Commission can and does make a difference and impact on the professionalism of military policing is through its reported findings and recommendations for improvement.

In 2004-05, the Commission released six interim reports and three final reports; in 2005-06, the Commission released 11 interim reports and 17 final reports. In turn, military authorities have accepted 100 per cent of the recommendations made by the Chair in 2005-06 and 62 per cent in 2004-05.

Details of the Commission's case activities can be found on the website at www.mpcc-cppm.gc.ca

Effective External Communications

Before the Chair can release a Final Report of findings and recommendations, National Defence or Canadian Forces officials are required to provide a Notice of Action responding to an Interim Report's results. The Commission has been working throughout the year to ensure the effectiveness of this working relationship and, to that end, a special joint conference was held in February 2006 focusing on increasing the effectiveness of the overall complaints process. Further, the Commission embarked on a program to redesign its reports, with a view to making them more "user-friendly." The positive results the Commission achieved during 2006 reflect the efforts devoted to improving external communications and working relationships in general.

It is important to the overall success of the Commission that the military police are aware of the mandate of the Commission and the activities it is involved in. As a result, the Commission undertook an Outreach Program to achieve these ends. During the 2005-06 fiscal year, Commission staff visited a dozen bases. These visits allowed military police, Wing and Base Commanders, and those who interact with military police because they live, work or pass through a military base to learn about the Commission's mandate and the services it provides. In addition, these visits afford the Commission the opportunity to become aware of any issues and concerns about the complaints process. It should be noted that the feedback received from these visits was extremely positive.

Effective Internal Communications

The Commission is striving to create a workplace of choice for current and future employees, and effective communications with staff is an essential ingredient. Indeed, it is professional, proud and motivated employees who deliver the desired results — quality services. The positive results described above are directly attributable to the hard work and diligence of the Commission's employees. The following summary from the recently completed Public Service Employee Survey is proof of the Commission's success in this regard:

- 100 per cent of employees are proud of the work carried out in their work unit,
- 100 per cent are strongly committed to making the Commission successful,
- 92 per cent feel that the organization treats them with respect, and
- 83 per cent of employees believe that the Commission is a good place to work.

These results reflect a much higher level of satisfaction when compared to both the 2002 survey results and those for similar organizations. It should also be noted that the survey results for the Public Service as a whole declined slightly overall.

Enhanced Management Practices

The Commission completed its integrated risk management framework, which included an internal audit process and plan. The framework was provided to, and approved by, the Comptroller General's Office. In turn, the first scheduled audit was successfully completed.

The office reorganization allowed the Commission to redesign its offices and reduce its space requirement. During 2005-06, the Commission found another government agency to occupy and sublet the excess space, thus enabling the Commission to reduce its annual occupancy costs in excess of 25 per cent.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

This is a transition year in terms of measuring the Commission's performance. The analysis of performance has been aligned with the Commission's Program Activity Architecture, and detailed performance information is presented in line with the program architecture.

The Commission has a single strategic outcome - to promote and ensure the highest standards of conduct of the military police, thereby increasing the confidence of the Canadian Forces and Canadians in the military policing activity.. To provide direction and focus towards outcome achievement, strategic objectives were established and are set out below. Logic models that address the constituent parts of the Commission's overall strategic outcome follow to provide a road map that links objectives, activity, resources, intermediate and immediate outcomes, plans and priorities.

STRATEGIC OBJECTIVE: 1

To promote and ensure the highest standard of conduct of the Canadian Forces Military Police by ensuring cases are reviewed fairly and expeditiously.

Program Activity and Expected Results

Complaints Resolution – Increased capacity

Financial Resources: ($000)

Planned Spending	Actual Spending
3,816	2,703

Human Resources:

Planned	Actual
13 FTEs	13

As a valued agency of the Government of Canada, it is incumbent upon the Commission to effectively and efficiently meet the needs of its clients. By statutory direction, this includes resolving matters that come before the Commission as informally and expeditiously as circumstances and the consideration of fairness permit.

Intermediate Outcomes

- Improved ability to expedite cases fairly and equitably.
- Acceptance of recommendations.
- Timely implementation of recommendations.
- Increased level of policing performance.
- Increased military and public confidence in military policing activity.

Immediate Outcomes

- Enhanced effectiveness and efficiency of the case management process.
- Improved client satisfaction and internal and external working relationships.
- Enhanced knowledge and skill sets of workforce.

Plans and Priorities

Review the effectiveness and efficiency of the case management process, including the environment in which it operates, and develop performance measures.

- Completed a detailed review of the case management process by identifying, prioritizing and resolving the challenges that need to be overcome to improve the quality and timeliness of services; addressing identified opportunities for improvement.
- Implementing a performance management framework and quality assurance practices.
- Introducing an informal resolution framework.
- Improving the knowledge, capabilities, commitment and satisfaction of the workforce.

The case management process review was completed using the Commission's internal resources. Operations were streamlined, resource consumption was reduced, and services were delivered more effectively and efficiently than at any other time in the Commission's brief history. The quality of services delivered was also enhanced.

The establishment of an informal resolution process is moving forward (training needs have been identified and some training has taken place). Given the current caseload, however, it is unlikely that the deadline of March 31, 2007 will be met.

As noted in the results of the Public Service Employee Survey, 100 per cent of Commission employees are strongly committed to making the Commission successful.

The implementation of a formal performance measurement framework is still a work in progress. To date, internal performance measurement is underway, and deadlines for the completion of key operations in the complaints resolution process have been formalized and reported upon. However, the Commission is still working to identify ways to measure the results from its complaints resolution activity. Indeed, the professionalism of military policing, and the confidence that the Canadian Forces and the Canadian public have in the policing activity, can not be attributed solely to the efforts of the Commission. It is one contributor, among many, working to achieve the desired results. Moreover, to isolate the effects due solely to the Commission may be virtually impossible. Nevertheless, the Commission has certainly been successful in achieving this aspect of its strategic outcome over the past year as evidenced by the 100 per cent acceptance of its recommendations, as compared to 62 per cent in the previous year.

STRATEGIC OBJECTIVE: 2

To promote and ensure the highest standard of conduct of military police by creating and maintaining effective communications both externally with stakeholders and internally with employees.

Program Activity and Expected Results

Complaints Resolution and General Services – greater awareness; stabilized workplace; harmonious working relationships

Financial Resources: ($000)

Planned Spending	Actual Spending
360	*

Human Resources:

Planned	Actual
4 FTEs	2 FTEs

* Communications is a shared responsibility between Complaints Resolution and General Services; the costs are included in the overall program costs of $2,703 set out in the previous table.

Military police conduct should not be free from scrutiny of the Canadian public and the Canadian Forces. Moreover, the military police must also be aware of their right to complain when they believe that another member of the Canadian Forces or an official of National Defence has attempted to interfere with an investigation. Ensuring everyone is aware of their rights, and of the vital role the Commission plays in the process, requires strong and effective communication channels, practices and products – both internally and externally.

Intermediate Outcomes

- Enhanced awareness of each one's rights and the Commission's role and mandate.
- Well-trained, motivated and committed workforce whose efforts are appropriately acknowledged.

Immediate Outcomes

- Communications strategy and plan.
- Improvements in external communications.
- Increased understanding of the Commission's mandate and objectives, its policies and procedures and staff's related roles and responsibilities.
- Improved day-to-day operations and quality of outputs, and an enhanced workplace.

Plans and Priorities

Evaluate the overall effectiveness of the external communications program, enhance and expand the delivery of information to stakeholders, and cultivate collaborative and harmonious working relationships with the organization.

- Completed an independent external review of the communications program, developed a strategic communications plan, and adjusting, as required, communication processes and products.
- Visited and made presentations to military police, other members of the Canadian Forces and other stakeholders.
- Enhanced the website.
- Improved the quality of internal communications, developed an employee guide, and implemented a learning policy as well as a rewards and recognition program.

The Commission completed its external review of the communications program and, in turn, developed a new strategic communications plan. Overall awareness of the Commission, including its role and mandate, was identified as a problem. As a result, the Commission undertook an extensive outreach program wherein a dozen bases were visited and a series of presentations (based on an updated presentation program) were made to military police, the military chain of command and those who interact with military police at the base. The feedback from all of the presentations was positive, and the program will be continued into 2006-07.

Several of the Commission's most frequently requested communication tools (two pamphlets on the Commission and what it does) were updated. In addition, the Commission's website was enhanced throughout the year to increase its accessibility and the quality of its content.

As mentioned earlier, the quality of internal communications was improved. An employee guide was developed to provide new and existing employees with a convenient way to familiarize themselves with the Commission's policies and procedures as well as roles and responsibilities of each position in the organization. A new learning policy was also implemented to assist employees in pursuing their professional and career goals. The policy has an additional benefit in that it will better ensure that the Commission will have a well-trained workforce to help deliver its program.

STRATEGIC OBJECTIVE: 3

To promote and ensure the highest standard of conduct of military police by enhancing management practices

Program Activity and Expected Results

Complaints Resolution and General Services – improved strategic and operational planning; greater efficiencies and economies in operations.

Financial Resources

Planned Spending	Authorities	Actual Spending
*	*	*

Human Resources

Planned	Actual	Difference
FTEs*	FTEs*	FTEs*

*Enhanced management practices are equally shared across the organization. As a result, the resources were equally shared across the organization; they are included in the overall program costs of $2,703 set out in the first table in this section.

To more effectively support its mandate, the Commission continues to examine and fine tune its management practices. In so doing, Canadians can be better assured of the most cost-effective and efficient level of service from the organization.

Intermediate Outcomes

- Integrated risk management framework.
- Effectively completed a risk-based audit according to the audit plan and risk management framework.
- Enhanced corporate performance.

Immediate Outcomes

- Improved management practices.
- Increased cost efficiencies and savings.

Plans and Priorities

Implement a risk management strategy and improve resource stewardship.

- Developed and implemented an integrated risk management framework that incorporates risk and tolerance into strategic and operational planning.
- Implemented the recently developed internal audit plan and conducted a risk-based audit accordingly.
- Developing and implementing management practices in accordance with the Management Accountability Framework (MAF).
- Increased partnering and outsourcing to increase cost effectiveness.

To effectively address this strategic outcome, the Commission developed a comprehensive risk management strategy to support, in particular, effective decision making at operational and executive meetings. In turn, a risk-based internal audit plan was approved by the Executive and, subsequently, by the Office of the Comptroller General; the first audit was then completed in accordance with the scheduled plan.

Work is progressing on the implementation of the Commission's comprehensive performance measurement framework for the complaints handling process. Timelines were established for the distinct elements within the process, and software is being sought that will better allow for the automation of performance measurements against timelines.

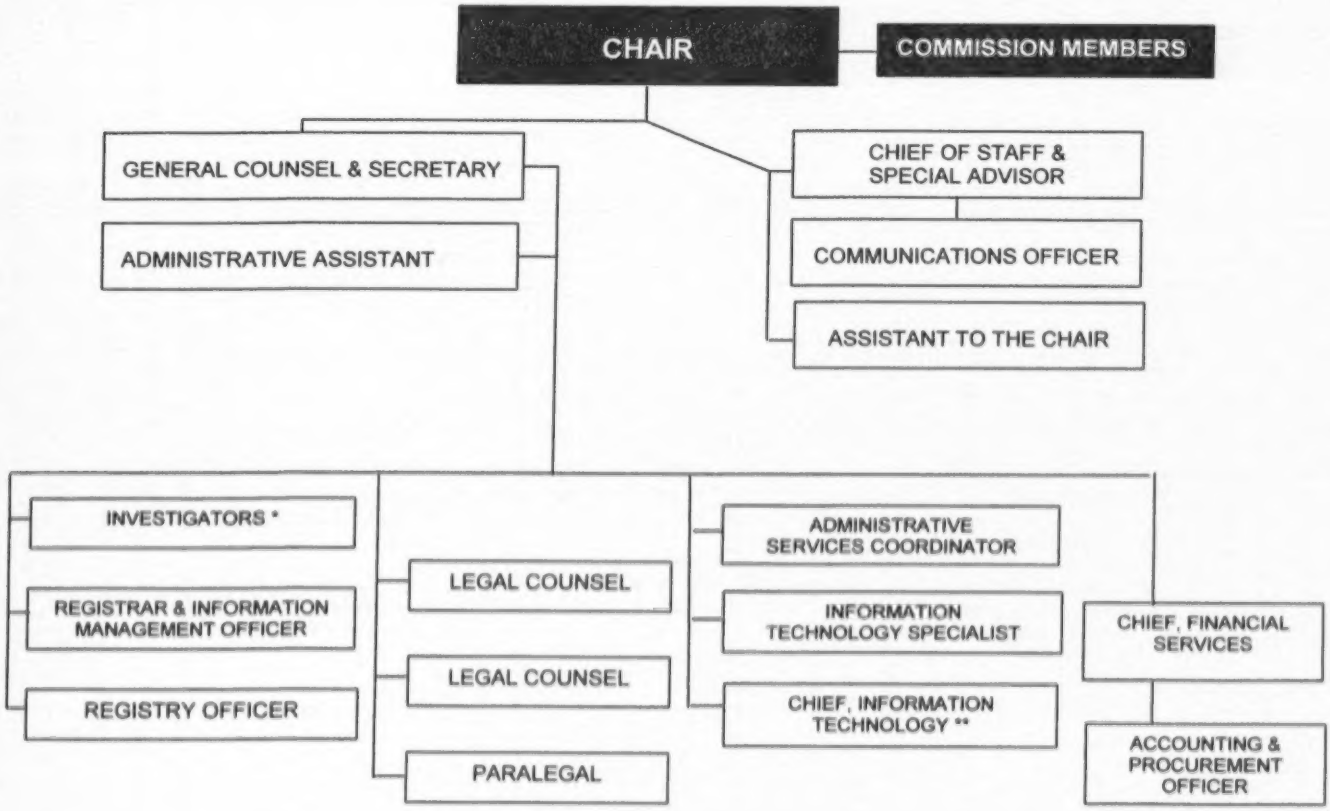
Following its reorganization, the Commission sought out other internal efficiencies and achieved them. Outsourcing reduced the cost of investigations and administrative tasks were streamlined, resulting in fewer FTEs and lower salary costs. As a result, the Commission was able to permanently reduce its resource allocation by almost 800,000 or 20 per cent.

Because of its downsizing, the Commission was also able to reduce its requirement for office space, thus saving approximately 50,000 annually on its accommodation costs.

SECTION III – SUPPLEMENTARY INFORMATION

Organizational Information

The following organizational chart represents the Commission in relation to the restructuring of its program activities.



* The Commission relies on a pool of qualified contract investigators
** Surplus position

Table 1: Comparison of Planned to Actual Spending (including FTEs)

(in thousands)	2003 - 04 Actual	2004 - 05 Actual	2005–2006 Main Estimates	2005–2006 Planned Spending	2005–2006 Total Authorities	2005–2006 Actual
Complaints Resolution	**3,566**	**2,985**	**4,176**	**4,176**	**4,029**	**2,703**
Total	**3,566**	**2,985**	**4,176**	**4,176**	**4,029**	**2,703**
Less: Non-Respendable revenue						
Plus: Cost of services received without charge *	**141**	**109**		**153**		**154**
Net cost of Department	**3,707**	**3,094**		**4,329**	**4,029**	**2,857**
Full Time Equivalents	**21**	**16**	**17**	**17**	**17**	**15**

**Includes employer's share of Public Service Insurance Plan*

Table 2: Resources by Program Activity

Program Activity	2005 – 2006 Budgetary ($000) Operating	Total: Net Budgetary Expenditures	Total
Complaints Resolution			
Main Estimates	**4,176**	**4,176**	**4,176**
Planned Spending	**4,176**	**4,176**	**4,176**
Total Authorities	**4,029**	**4,029**	**4,029**
Actual Spending	**2,703**	**2,703**	**2,703**

Table 3: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2005–2006 (in thousands) Main Estimates	Planned Spending	Total Authorities	Actual
20	Program Expenditures	**3,791**	**3,791**	**3,791**	**2,465**
(S)	Contributions to employee benefit plans	**385**	**385**	**238**	**238**
	Total	**4,176**	**4,176**	**4,029**	**2,703**

Table 4: Services Received Without Charge

(in thousands)	2005–2006
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	154
Total 2005–2006 services received without charge	154

Table 5: YEAR END FINANCIAL STATEMENTS

MILITARY POLICE COMPLAINTS COMMISSION
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Military Police Complaints Commission (Complaints Commission) for the year ended March 31, 2006 and all information contained in these statements rests with the Complaints Commission's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on managements' best estimates and judgement and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Complaints Commission's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Complaints Commission's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, with Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Complaints Commission.

The financial statements of the Complaints Commission have not been audited.

Peter A. Tinsley
Chair

Johanne Gauthier
Senior Financial Officer

Ottawa, Canada
Date: Aug. 15/06

MILITARY POLICE COMPLAINTS COMMISSION Statement of Operations *(Unaudited)* For the Year Ended March 31 *(in dollars)*	2006	2005
Operating Expenses – Complaints Resolution		
Salaries and employee benefits	1,662,949	1,720,595
Professional and special services	625,652	853,003
Accommodation	154,097	195,454
Utilities, materials and supplies	138,801	52,257
Transportation and telecommunications	114,539	118,433
Information	76,401	107,971
Amortization of tangible capital assets	36,582	17,702
Rentals	16,780	17,141
Other	1,779	1,663
	2,827,580	**3,084,219**

The accompanying notes form an integral part of these financial statements.

MILITARY POLICE COMPLAINTS COMMISSION Statement of Financial Position *(Unaudited)* At March 31 *(in dollars)*	2006	2005
Assets		
Financial assets		
Accounts Receivable and advances (note 4)	169,405	218,343
Prepaid expenses	2,889	0
Total financial assets	172,294	218,343
Non-financial assets		
Tangible capital assets (note 5)	115,137	88,219
TOTAL	**287,431**	**306,562**
Liabilities		
Accounts payable and accrued liabilities	403,156	293,609
Vacation pay and compensatory leave	65,951	60,751
Employee severance benefits (note 6)	272,827	271,448
Total liabilities	741,934	625,808
Equity of Canada	(454,503)	(319,246)
TOTAL	**287,431**	**306,562**

The accompanying notes form an integral part of these financial statements.

MILITARY POLICE COMPLAINTS COMMISSION Statement of Equity of Canada *(Unaudited)* For the Year Ended March 31 *(in dollars)*	2006	2005
Equity of Canada (beginning of year)	(319,246)	(407,672)
Net cost of operations	(2,827,580)	(3,084,219)
Current year appropriations used (note 3)	2,702,599	2,984,904
Change in net position in the Consolidated Revenue Fund (note 3)	(164,196)	33,421
Services provided without charge by other government departments (note 7)	153,920	154,320
Equity of Canada (end of year)	**(454,503)**	**(319,246)**

The accompanying notes form an integral part of these financial statements.

MILITARY POLICE COMPLAINTS COMMISSION Statement of Cash Flow *(Unaudited)* For the Year Ended March 31 *(in dollars)*	2006	2005
Operating Activities		
Net cost of operations	2,827,580	3,084,219
Non-cash items:		
Amortization of tangible capital assets	(36,582)	(17,702)
Services provided without charge (note 7)	(153,920)	(154,320)
Variations in Statement of Financial Position		
Increase (decrease) in receivables and advances and prepaids	(46,049)	101,985
Decrease (increase) in liabilities	(116,126)	4,143
Cash used by operating activities	2,474,903	3,018,325
Capital Investment activities		
Acquisitions of tangible capital assets (note 5)	63,500	-
Net cash provided by Government	**(2,538,403)**	**(3,018,325)**

The accompanying notes form an integral part of these financial statements.

MILITARY POLICE COMPLAINTS COMMISSION

Notes to the Financial Statements (Unaudited)

1. Authority and Objectives

The Military Police Complaints Commission (Complaints Commission) is a quasi-judicial agency, which reports to Parliament through the Minister of National Defence. It is a civilian body, external and independent of the Department of National Defence (DND) and the Canadian Forces (CF). The Commission was established in the fall of 1999 under Part IV of the National Defence Act (Sections 250.1 to 250.53). Its mandate is to monitor and review complaints about the conduct of the military police in performance of their policing duties or functions and to deal with complaints of interference in military police investigations.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

a) Parliamentary appropriations

The Complaints Commission is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Complaints Commission do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

b) Net cash provided by Government

The Complaints Commission operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Complaints Commission is deposited to the CRF and all cash disbursements made by the Complaints Commission are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

c) Change in net position in the consolidated revenue fund

The change is the difference between the net cash provided by Government and appropriations used in a year. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

d) Expenses

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments such as the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

e) Employee future benefits

i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Complaints Commission's contributions to the Plan are charged to expenses in the year incurred and represent the total Complaints Commission obligation to the Plan. Current legislation does not require the Complaints Commission to make contributions for any actuarial deficiencies of the Plan.

ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

f) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

g) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $3,000 or more are recorded at their acquisition cost. The Complaints Commission does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Informatics hardware	3 - 4 years

h) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

The Complaints Commission receives its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Complaints Commission has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year appropriations used:	2006	2005
	(in dollars)	
Net cost of operations	**2,827,580**	**3,084,219**
Adjustments for items affecting net cost of operations but not affecting appropriations		
Less: expenses not affecting appropriations		
Services provided without charge by other government departments	(153,920)	(154,320)
Amortization of tangible capital assets	(36,582)	(17,702)
Other	-	29
Decrease (Increase) in employee severance benefits liability	(1,379)	47,223
Refund of previous year expenses	5,768	-
Decrease (Increase) in vacation pay and compensatory leave liability	(5,200)	25,455
	2,636,267	2,984,904
Adjustments for items not affecting net cost but affecting appropriations		
Add: Tangible capital asset acquisition	63,500	-
Increase in prepaid expenses	2,832	-
Current year appropriations used	**2,702,599**	**2,984,904**

(b) Appropriations provided and used	Appropriations Provided	
	2006	2005
	(in dollars)	
Vote 20 – Operating expenditures	3,791,000	3,684,667
Statutory amounts	237,678	379,600
Less:		
Lapsed appropriations: Operating	(1,326,079)	(1,079,363)
Current year appropriations used	**2,702,599**	**2,984,904**

(c) Reconciliation of net cash provided by Government to current year appropriations used	2006	2005
	(in dollars)	
Net cash provided by Government	$2,538,403	$3,018,325
Change in net position in the Consolidated Revenue Fund		
Refund of previous year expenses	5,768	-
Decrease (Increase) in accounts receivable and advances	46,049	(101,985)
Increase in accounts payable and accrued liabilities	109,547	68,535
Other adjustments	2,832	29
	164,196	(33,421)
Current year appropriations used	**2,702,599**	**2,984,904**

4. Accounts Receivable and Advances

	2006	2005
	(in dollars)	

The following table presents details of accounts receivable and advances:

Receivables from other Federal Government departments and agencies	168,905	217,543
Employee advances	500	800
Total	**169,405**	**218,343**

5. Tangible Capital Assets (in dollars)

Cost

Capital Asset Class	Opening Balance	Acquisitions	Disposals and write-offs	Closing balance
Informatics hardware	325,623	63,500	0	389,123
Total	**325,623**	**63,500**	**0**	**389,123**

Accumulated Amortization

Capital Asset Class	Opening Balance	Amortization	Disposals and write-offs	Closing balance
Informatics hardware	237,404	36,582	0	273,986
Total	**237,404**	**36,582**	**0**	**273,986**

Capital Asset Class	2006 Net Book Value	2005 Net Book Value
Informatics hardware	115,137	88,219
Total	**115,137**	**88,219**

Amortization expense for the year ended March 31, 2006 is 36,582 (2005 is 17,702)

6. Employee Benefits

a) Pension benefits

The Complaints Commission's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Complaints Commission contribute to the cost of the Plan. The 2005-06 expense amounts to $175,000 ($173,600 in 2004-05) which represents approximately 2.6 times the contributions by employees.

The Complaints Commission's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Employee severance

The Complaints Commission provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2006	2005
Accrued benefit obligation, beginning of year	271,448	318,671
Expense for year	45,891	(47,223)
Benefits paid during the year	(44,512)	-
Accrued benefit obligation, end of year	**272,827**	**271,448**

7. Related Party Transactions

The Complaints Commission is related as a result of common ownership to all Government of Canada departments, agencies and Crown Corporations. The Complaints Commission enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Complaints Commission received services which were obtained without charge from other Government departments as presented in part (a).

a) Services provided without charge

During the year, the Complaints Commission received without charge from another department the employer's contribution to the health and dental insurance plans. This service without charge has been recognized in the Complaint Commission's Statement of Operations.

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Complaint Commission's Statement of Operations.

	2006	2005
Employer's contribution to health and dental insurance plans	153,920	154,320

b) Payables and receivables outstanding at year-end with related parties

	2006	2005
Accounts receivable with other government departments and agencies	168,905	217,543
Accounts payable to other government departments and agencies	143,003	101,959